

THE HONORABLE MARSHA J. PECHMAN

UNITED STATES DISTRICT COURT

WESTERN DISTRICT OF WASHINGTON AT SEATTLE

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

HEALTH MAINTENANCE CENTERS,
INC., BAINBRIDGE HUMAN
PERFORMANCE CENTERS, PLLC,
ZNETIX, INC., CASCADE POINTE OF
ARIZONA, LLC, CASCADE POINTE
OF NEVIS, LLC, KEVIN L.
LAWRENCE, DONOVAN C.
CLAFLIN, CLIFFORD G. BAIRD,
KIMBERLY ALEXANDER, BONNIE
M. COUCH, STACY GRAY AND
VICKI L. LAWRENCE,

Defendants.

Case No. C 02-0153P

**ORDER APPROVING
SETTLEMENT**

THIS MATTER came before the Court on the Motion of the Receiver and Defendant Jeffrey M. Bensky ("Bensky") (collectively, the "Parties"), parties in *Grassmueck v. Bensky, et al.*, No. C 04-2016P (the "Action"), for an order approving the settlement that pertains to the Action and *Securities and Exchange Commission v. Health Maintenance Centers, et al.*, No. C 02-0153P (the "SEC Case").

The Court has reviewed the files and records in the Action and the SEC Case, including the Motion for Approval of Settlement and supporting declarations and

1 any response(s) thereto, and is fully advised. The Court has also reviewed the
 2 settlement and the Settlement Agreement entered into by the Receiver and Bensky
 3 (together, the "Settlement").

4 As used herein, the term "Receivership Entities" means Health Maintenance
 5 Centers, Inc. ("HMC"), Znetix, Inc., Cascade Pointe of Arizona, LLC, Cascade
 6 Pointe of Nevis, LLC, Bainbridge Maintenance Centers, PLLC, and their respective
 7 subsidiaries, affiliates, joint ventures or other entities for which they or Kevin
 8 Lawrence, Donovan Claflin or Clifford Baird were the managing general partner or
 9 in control, including but not limited to Cascade Pointe of Washington, Cascade
 10 Pointe of St. Kitts and Bainbridge Maintenance Centers, PLLC.

11 As used herein, the term "Claim" means: (i) a right to payment, whether or
 12 not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent,
 13 matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured;
 14 (ii) a right to an equitable remedy for breach of performance, whether or not such
 15 equitable remedy is reduced to a judgment, fixed, contingent, matured, unmatured,
 16 disputed, undisputed, secured or unsecured; or (iii) a claim based upon contract, tort,
 17 contribution, indemnity, reimbursement, subrogation theories or other legal or
 18 equitable theory. "Claim" or "Claims" include, without limitation, investor claims
 19 based on the purchase of stock or other investment in any of the Receivership
 20 Entities or Claims against any other person or entity arising out of or based upon
 21 any investment in, or interest in, or Claim against any of the Receivership Entities.

22 NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

23 (1) The Motion for Approval of Settlement is granted.

24 (2) The Court finds, concludes and orders that all Claims against Bensky
 25 held by any person or entity, including but not limited to the creditors, investors,
 26 claimants, directors, officers, employees and agents of the Receivership Entities,
 27 arising from the acts and/or omissions of Bensky in his status, or his putative,
 28 alleged or de facto status as officer, director, advisory board member, employee or

1 consultant of or on behalf of TBG Development LLC ("TBGD") and/or the
 2 Receivership Entities or its affiliates, be permanently and forever barred.

3 (3) The Court finds, concludes and orders that all Claims by any person or
 4 entity against Bensky or any of them in any action that has been or may be brought
 5 by the Receiver, and all third-party claims for, or defenses regarding,
 6 indemnification, contribution, negligence, contributory negligence or any other tort,
 7 contract or statutory claim, however denominated and regardless of the allegations,
 8 facts, law, theories or principles on which it is based, against Bensky, based upon,
 9 arising out of, related to, or in connection with the Action be, and hereby are,
 10 permanently and forever barred.

11 (4) The Court finds, concludes and orders that the Settlement, the amount
 12 of the settlement proceeds, and the terms of the Settlement Agreement are approved
 13 and that they are fair, adequate, reasonable, equitable and prudent as to all interested
 14 parties.

15 (5) Nothing in this Order shall be construed to prohibit the Receiver from
 16 pursuing claims against third parties.

17 (6) The District Court retains exclusive jurisdiction to resolve any disputes
 18 or challenges that may arise as to the performance, validity, interpretation,
 19 administration, enforcement, or enforceability of this Order and of the Settlement
 20 and any document that pertains thereto.

21 (7) There being no just cause for delay, this Order is, and is intended to be,
 22 a final decision of the Court, within the meaning of Rule 54(b) of the Federal Rules
 23 of Civil Procedure and is intended to be appealable upon its entry.

24
 25 DATED: ___October 12___, 2006

26
 27 /s/ Marsha J. Pechman
 28 Honorable Marsha J. Pechman
 United States District Court Judge